

Evaluation Report

TO: Ramapo Indian Hills Regional High School District in the County of Bergen, New Jersey (the “RIHRHSD”)

FROM: DCO Energy

DATE: July 20, 2022

RE: PPA Evaluation Report

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INTRODUCTION

On June 9, 2022, the Board issued a RFP requesting proposals from qualified proposers for a Power Purchase Agreement (“PPA”) utilizing photovoltaic electricity generation. The procurement has been conducted on a competitive contracting basis pursuant to N.J.S.A. 18A:18A-4.1 et seq. The terms of the PPA are set forth in the RFP dated June 9, 2022, which is on file and available at the District office and is incorporated herein by reference.

The RFP set forth two (2) district sites for solar installation. Those sites are as follows:

Building	Address
Ramapo High School	331 George St, Franklin Lakes, NJ 07417
Indian Hills High School	97 Yawpo Ave, Oakland, NJ 07436

Ramapo Indian Hills Regional High School District has been advised of legal matters by Wilentz, Goldman & Spitzer, P.A. (“Wilentz”). Technical advice and analysis was provided to the Ramapo Indian Hills Regional High School District by DCO Energy “DCO”, the District’s ESCO. DCO performed the Overall Economic Benefit to the Board calculations set forth herein.

I. PROPOSAL SUBMISSIONS

There were five (5) proposals submitted prior to the due date and time of July 12, 2022 by four (4) different companies. One (1) company submitted an alternate proposal.

Proposals were received from:

1. Eznergy NJ LLC (“Eznergy”)
2. HESP Solar (“HESP”)
3. Advanced Solar Products, Inc. (“ASP”)
4. Solar Landscape LLC (“Solar Landscape”)

II. AWARD CRITERIA

If an award is made, RIHRHSD is required to select the proposal that is both responsive and most advantageous to the RIHRHSD, price and other factors considered, under the criteria stated in the RFP.

By way of summary, the RFP listed the following factors and their relative percentage weights:

EVALUATION CRITERIA	(Points)
Section I - Provider Profile and Qualifications	25
Section II - Scope of Services and Schedule	25
Section III - PPA Financing Terms (50 points)	50

III. ANALYSIS OF THE PROPOSALS

Based on a review of the proposals, all four (4) responders and (5) 5 proposals encompassed criteria for a full evaluation by DCO Energy. All responders generally had good pricing structure, proposed designs, and projected 15-year savings. The experience of the proposers with solar construction/installation is acceptable specifically with the installation of solar energy systems at public facilities throughout New Jersey.

Section I - Provider Profile and Qualifications (25 points)

As for required documents, DCO Energy noted the following:

1. **Eznergy** – Eznergy NJ LLC signed and returned all required documents. Its response to the RFP met the legal requirements.
2. **ASP**- Advanced Solar Products, Inc signed and returned all the required documents. Its response to the RFP met the legal requirements.
3. **HESP** – HESP signed and returned all the required documents. Its response to the RFP met the legal requirements.
4. **Solar Landscape** – Solar Landscape signed and returned all the required documents. Its response to the RFP met the legal requirements.

As for provider profile and qualifications, the DCO Energy noted the following:

All four (4) providers show a significant total number of commercial and industrial PV systems, along with system capacities, completed and brought online in last five years. Also within the criteria within the RFP is a requirement for an organization chart listing key personnel. All four (4) providers include and elaborate on executive and management positions through an organizational chart of their respective companies.

Within its proposal, Eznergy list various school projects which it had successfully completed including Paramus Board of Education and Willingboro Township. HESP include numerous similar projects including Robbinsville School District, South Brunswick Board of Education and Caldwell-West Caldwell Board of Education. ASP provide several school project examples, a few of which (Plainfield Public School District and Middletown Township Board of Education), were similar in scope and design to the proposed project of the District. Solar Landscape include Morris Hills Regional School District and East Windsor MUA, which are similar in capacity to RIHRHSD.

All four (4) providers describe the key factors required for a successful project and key points of failure for potential PPA projects. Also, all (4) providers describe key program team members by name and position and their qualifications and experience within proposals. Based on the analysis above, DCO Energy assigns points as follows for this section: twenty-three (23) to Eznergy; twenty-five (25) to HESP; twenty-four (24) to ASP and twenty-four (24) to Solar Landscape.

Section II - Scope of Services and Schedule (25 points)

All four (4) providers include a sample project schedule showing the expected timeline for completion of the work. These schedules include milestones for major work tasks including site evaluation, contract signature, system design, permitting and approvals and system installation through commercial operation. All four (4) providers include information about the manufacturer and/or models of PV modules, inverters, and racking equipment. Details in reference to labor and roof penetration warranties are shown in all proposals as well. A description of the provider's method of and capacity to expedite all incentive filing, permitting and interconnection requirements with relevant state and local agencies is elaborated in all four (4) providers proposals meeting scope of services criteria.

Within its proposal, Eznergy elaborate on operation and maintenance including their plan for preventive, corrective, and condition base maintenance. HESP highlight the importance of monitoring and training to its O&M plans. ASP also include the importance of preventative maintenance in their plan and described the importance of roof inspections. Solar Landscape include material on preventative maintenance and assigning a dedicated team for such tasks.

Eznergy show additional services such as monitoring monthly production and providing production reports to achieve verification of anticipated generation. ASP include additional services providing educational offerings to the district requires. HESP provide material on a

program for customers to view their PV performance, which can run reports and presenting information in automated slideshows. Solar Landscape also include monitoring as additional services with the use of a program that will track production in real time. All four (4) providers meet the fire services criteria of the solar RFP. Based on the analysis above, DCO Energy assigns points as follows for this section: twenty-five (25) to Eznergy; twenty-four (24) to HESP; twenty-three (23) to ASP and twenty-five (25) to Solar Landscape.

Section III - PPA Financing Terms (50 points)

This category is 50% of the criteria evaluation as set forth above. As such, 50 points out of 100 are assigned to this aspect of the recommended proposals. This category is being evaluated on the following:

Power Purchase Agreement Offer

- The price per kWh in Year 1 of the PPA
- The annual escalation rate
- Rate increase per \$10,000 spent on Removal / Replacement for roofing repairs (\$/kWh/\$10k)

Generation Estimates

- The estimated Year 1 Generation based upon the PPA Offer for each of the sites.

Additional Costs -

- Adherence to RIHRHSD having no other financial responsibilities other than the proposed rate and escalation. The proposed \$/kWh and escalation rate remains valid regardless of the final installed kW array size and generation.

The bid summary for RIHRHSD is shown below:

15 Year Term	EZENERGY	HESP	ADVANCED SOLAR PRODUCTS 1	ADVANCED SOLAR PRODUCTS 2	SOLAR LANDSCAPE
Year 1 Price per kWh (\$)	\$0.06303	\$0.04900	\$0.04901	\$0.03790	\$0.04490
Rate Increase per \$10,000 spent on Removal/Replacement for roofing repairs (\$/kWh/\$10k increment)	\$0.00026	\$0.00060	\$0.00699	\$0.00025	\$0.00050
Annual Escalation Rate (%)	0.00%	1.50%	1.50%	1.50%	1.25%
Installed Capacity (kWdc)	2024.8	2295.0	2184.9	1999.0	2210.0
Year 1 Generation (kWh)	2,397,087	2,646,513	2,651,399	2,425,859	2,645,000
Year 1 Utility Electric Cost (\$)	\$236,113	\$260,682	\$261,163	\$238,947	\$260,533
Year 1 Generation Cost (\$)	\$151,089	\$129,679	\$129,945	\$91,940	\$118,761
Year 1 Solar Savings (\$)	\$85,024	\$131,003	\$131,218	\$147,007	\$141,772

Ezenergy's proposal offers the highest price per kilowatt hour of all five and shows the second smallest Solar PV size in terms of installed capacity (kW). They do offer an escalation rate of 0% but does not offset the highest price per kilowatt hour over the course of 15 years. HESP and ADP's base proposals are very close in terms of price per kilowatt and escalation rate. HESP offers the highest Solar PV size in terms of installed capacity but both proposals offer average rates in terms of price per kilowatt hour, 3rd and 4th prospectively.

The base bid by Solar Landscape and the alternate bid by Advanced Solar Products are evaluated to be the top two responses for RIHRHSD in regards to the PPA Financing Terms. The alternate bid from ASP gives a lucrative rate at \$.03790 but limits system capacity size to under 2MW (2000kW). The base bid from Solar Landscape offers the lowest rate of all base bids at \$.04490 and shows a capacity size over 2MW. The utility savings (Year 1 Solar Savings) for the ASP's alternate bid shows approximately \$6,000 more savings than Solar Landscape's base bid. The annual escalation rate (%) favors Solar Landscape at 1.25% versus ASP's 1.5%; this over the course of 15 years brings cost savings even closer between both providers. Under these conditions, the estimated 15-year cost savings for Solar Landscape equates to \$2,528,238, while the alternate proposal from ASP equates to \$2,561,429; a \$33,190 difference over 15-years.

This Solar RFP represents estimated utility usage post Energy Savings Improvement Program implementation without any additional cooling added to the project. This is very important to note when comparing PPA Financing Terms. If RIHRHSD potentially adds cooling to the scope of work within their ESIP project, the installed capacity of Solar PV can increase. Under this scenario, an estimated 30kW of added Solar PV (to base capacity) increases Solar Landscape's base bid 15-year cost savings to equal the alternate bid by ASP. This is due to alternate bid from ASP limiting capacity to under 2MW; and in the case of any added cooling to the project, the system size offered will be significantly smaller than what can potentially be installed. If any cooling is added to both district buildings, Solar Landscape's base bid cost savings will exceed ASP's alternate offering because the estimated added solar photovoltaic capacity will be higher than 30kW. Based on the analysis above, DCO Energy assigns points as follows for this section: thirty-five (35) to Ezenergy; forty-two (42) to HESP; forty (40) to ASP1, forty-six (46) to ASP2 and forty-five (45) to Solar Landscape.

SCORING SUMMARY AND RECOMMENDATION

<i>Firm</i>	EZENERGY	HESP	ADVANCED SOLAR PRODUCTS 1	ADVANCED SOLAR PRODUCTS 2	SOLAR LANDSCAPE
<i>PPA Offer #</i>	Base	Base	Base	Alternate	Base
<i>Section I. Provider Profile and Qualifications (25 points)</i>	23	25	24	24	24
<i>Section II. Scope of Services and Schedule (25 points)</i>	25	24	23	23	25
<i>Section III. PPA Financing Terms (50 points)</i>	35	42	40	46	45
<i>Total Score (100 points)</i>	83	91	87	93	94

DCO Energy notes that all four (4) of the respondents, which the committee evaluated, submitted responsive proposals, that each met the RIHRHSD’s minimum requirements, that indicated an understanding of the requirements of the project, and that each proposer appears to be capable of successful performance.

DCO Energy concludes that the Solar Landscape’s proposal offers the Ramapo Indian Hills Regional High School the greatest overall economic benefit. Solar Landscape has experience in constructing solar facilities in schools the ability to finance the projects on its balance sheet and can construct with its own construction company. Consideration of “other factors,” includes the proposed design, equipment, and experience, suggests that the RIHRHSD will have a favorable long-term relationship with Solar Landscape.

Therefore, on a “price and other factors” basis, DCO Energy recommends that the Solar PV Power Purchase Agreement be awarded to Solar Landscape under the terms set forth in the RFP, and the PPA to be executed by the parties.

Respectfully submitted,

DCO Energy